dialogue. If you want to involve us, we would also be willing to do so. Never say no to a dialogue. But, at the same time, keep the parameters very clear that no one should be encouraged to have a dialogue with the Government on the basis of secession, on the basis of sovereignty. These are the parameters which you should keep in mind. Otherwise, so far as sorting out the legitimate grievances of the people are concerned, even those who have taken recourse to violence under misguided guidance, there should be a willingness to have a dialogue with them. This is the broad approach. So far as the Government of India is concerned, wherever necessary, for example, we have been talking to the militants in Nagaland, and in Assam also, we have advised the State Government, if you want to involve us, we are willing to do so, but the parameters should be clear.

*143. [*The questioner (Shri Dilip Singh Judev was absent. For Answer, vide col. 30 infra.]*

Demand for coal during Ninth Plan

*144. SHRI DIPANKAR MUKHERJEE:†
SHRI NILOTPAL BASU:

Will the Minister of COAL be pleased to state:

(a) whether Government's attention had been drawn to the press reports regarding the differences between the Ministry of Coal and the Planning Commission regarding the demand project for coal during the Ninth Plan;

(b) if so, the details of the projection made by both these Departments;

(c) the basis of the different estimates of demand of coal; and

(d) the final opinion of the Ministry of Coal about the controversy?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI DILIP RAY): (a) to (d) A statement is laid on the Table of the House.

†The question was actually asked on the floor of the House by Shri Dipankar Mukherjee.

Statement

(a) to (c) Yes, Sir. The sector-wise demand projection as assessed by the Planning Commission and that estimated by the Ministry of Coal for the terminal year of 9th Plan i.e. 2001-02 is as under

Projected demand for the terminal years of 9th Plan (2001-02)

(In million tonnes)

Sector	Planning Commission's Assessment	Ministry of Coal's Assessment (June '98)
Coking Coal		
Steol & Coke ovens	51.60	51.60
Non-Coking Coal		
Power	262.00	237.47
Cement	21.40	18.37
BRK & Others	77.20	61.83
TOTAL	412.20	369.27

Discussions were held by the Planning Commission with the Ministry of Coal and Ministry of Power. Further discussions would be required to resolve the following diferences:

(i) The diference in estimates of the capacities of the existing power plants as between the planning Commission and the Ministry of Power's figures.

(ii) The feasibility of the Planning Commission fixing a target of 70% average PLF for all existing power plants to be attained by the year 2001-02.

(iii) The Ministry of Power has estimated that new power plants expected by 2001-02 would be 7949 Mega Watts as against the original programme of 18367 Mega Watts. However, they were of the view that the plants which will not come up by 2001-02 would come up in the early years of the 10th Plan. Consequently, the Ministry of Coal should not reduce the demand and production, as otherwise there would be shortfall in the 10th Plan.

(iv) The difference in the growth rate expected in the BRK and other sectors between the trend projections by the Ministry of Coal and those of the Planning Commission.

(d) The Ministry of Coal would await the resolution of the issues raised in answers of part (a) to (c) of this question. The Ministry of Coal also notes that coal mining requires a long gestation period it will be in the best interests of the economy to take appropriate policy measures to ensure that the coal security in India is not jeopardised even in the time frame beyond the 9th Plan.

SHRI DIPANKAR MUKHERJEE: Sir, I have the figures before me regarding the projections as made by the Planning Commission as well as the Ministry regarding demand for coal in the Ninth Plan. As it appears, the Ministry's assessment is 369 million tonnes whereas the Planning Commissions' assessment is 412 million tonnes. In view of the fact that power projects are not coming up as per the projections, the Coal Ministry has assessed 369 million tonnes. There has been a tendency in the last few years that projections have been made on a higher scale either because of the TINA (There is no Alternative) factor or there is a big gap between supply and demand. So, either things have to be imported or investment has to come from outside to augment production. As far as my question is concerned, it is regarding the non-coking coal. The stock of non-coking coal, which is mostly used for power generation, is about 237.47 MT, as per the Ministry. Sir, in the last year, coal worth Rs. 4,100 crores was imported. As per the Ministry's submission before the Standing Committee, coal worth Rs. 3,000 crores was lying at the pit-head stock within the country. I find a Parliamentary answer where you say that the vendable stock is worth Rs. 1,300 crores. But, your Secretary told us in the Standing Committee, the report has been placed here in July, that it is worth Rs. 3,000 crores. I take it as Rs. 1,300 crores. I do not find any justification here. While non-coking coal worth Rs. 1,300 crores is at the pit-head, you are importing coal. Even if you are concerned with the quality, you can check up the boiler manufacturer in the country, the BHEL which is designing boilers for the worst quality coal. The coking coal has been imported for power plants. I would like to know whether the Minister would review the import duty which has been slashed in the last three-four years so that the import duty on special coal, on non-coking coal side, is restored back so that our coal is used for our purpose rather than importing the coal which we are already having.

SHRI DILIP RAY: We do not have any difference in the projection of demand as far as coking coal is concerned. As far as non-coking coal is concerned, we do have some difference with regard to figures. With regard to import of coal, I have repeatedly mentioned in the house that the coastal area get coal from either South Africa or Indonesia which is much cheaper than our coal. Our coal is the cheapest in the world but our freight is one of the costliest in the world. I will just mention here a few things. Suppose we send coal from South Eastern coalfields to Sikka in Gujarat, the cost of coal is Rs. 886 per tonne. In Korba, it is only Rs. 355 per tonne. In Mahanadi coal fields, Sir, it is Rs. 341 per tonne. But, the imported coal coming from South Africa is as high as Rs. 1,360 per tonne. But, when you take the rail freight and the sea freight into account, from ACCL, its cost of freight is Rs. 1,086; from Korba, Rs. 1.211; and from NCL, Rs. 1,245 while the imported coal coming all th way from South Africa is only Rs. 25(This is one of the main reasons why th coal is being imported to coastal areas.

SHRI DIPANKAR MUKHERJEE: there is another recommendation of the Standing Committee which comprises all the party Members, to whichever party they belong. This is regarding the four per cent import duty which has been imposed this year. This four per cent

import duty, extra, is not being applied to traders. It has not covered the traders. With the result, the concession which is being otherwise given cannot be used by the coal companies. The Standing Committee has, specifically recommended that these exemptions given to traders on customs duty on coal will encourage middlemen. Would you kindly give an assurance from the Government that this four per cent increase in your import duty special, will cover the traders also? At least that much assurance let him give. I am asking the Government. I am not asking the Finance Minister. The very strong Minister, Mr. Advani, is sitting here and what is the problem? चार परसेंट इम्पोर्ट ड्यूटी इम्पोज़ की है। उसमें क्या किया है कि ट्रेडर्स को छोड़ दिया है। तो अगर आपने इम्पोर्ट ड्यूटी चार परसेंट लगाई है, इससे कोल कम्पनीज़ को फायदा नहीं हो रहा है। वह चार परसेंट ट्रेडर्स कम्पनी को, सीमेन्ट कम्पनी को है — ट्रेडर्स कारपोरेशन—

He is putting one small trading company and he will start importing the coal. He will not have to pay the four per cent duty. Why is this discrimination? Why do you not give an assurance? He is a genuine and young Minister. Please give an assurance saying, Okay, that concession will not be there. This is the recommendation given by the Standing Committee which com-prises all the party members. What is there?

SHRI T.N. CHATURVEDI: A young questioner and a young Minister!

SHRI DILIP RAY: Sir, this duty on non-coking coal at one time in 1994-95 was as high as 85 per cent. It has come down to 19.6 per cent. I fully agree with the hon. Member regarding the four per cent special extra duty that is being imposed. I think the hon. Member is talking about that. We are taking it up with the Ministry of Finance.

SHRI N.K.P. SALVE: Sir, my question relates to non-coking coal. I would like to know from the Minister whether it is true that the power plants have been complaining persistently for years that the non-coking coal supplied to the power plants is full of impurities. Sir, substantial quantity of stone and other impurities are contained as a result of which the non-coking coal used by the power plants has a poorer calorific value. It is because of that sometimes the power plants feel that they might the better off to import cheaper non-coking coal with better calorific value. Therefore, I would like to know whether the Ministry has ever applied its mind to this problem of reducing the impurities in coal and improving the calorific value of the coal being used by the power plants. Sir, when the power plants complain the Coal Ministry puts the blame on the Railways and the Railways put the blame on them as a result of which the power plants continue to suffer. I would like to know as to what strong, specific and effective measures have been considered to overcome this problem.

SHRI DILIP RAY: Sir, keeping in view this dispute, we have just started a join sampling at both the ends, that is, at the mine end and at the receiving end. We are also thinking of giving washed coal to the power plants to sort out this problem.

MR. CHAIRMAN: Shrimati Kamala Sinha.

SHRIMATI KAMLA SINHA: My question has already been put by Mr. Salve. ...*(interruptions)*...

SHRI J. CHITHARANJAN: With regard to assessment, of course, there is a difference between the projection of the Ministry of Coal and the Planning Commission. Sir, 369.27 million tonnes has been assessed as the requirement for the terminal year of the 9th Plan. I would like to know whether the Coal India Limited will be able to produce that much of coal during the terminal year of the 9th Plan. As it is, if it is not capable of producing that much, then I would like to know as to what steps will be taken to produce a least that much of coal here in India.

SHRI DILIP RAY: Sir, If you see historically, we produced more than the demand. If you go back to the 6th Plan, the demand was 168 million tonnes; actual was 139 million tonnes and we produced 147 million tonnes. In the 7th Plan, the demand was 236 million tonnes as per the assessment of the Planning Commission, the actual was 191 million tonnes and we produced 201 million tonnes. In the 8th Plan, the demand was 325 million tonnes and it was reduced as low as to 295 million tonnes which we produced. Sir, I can assure the House that we will produce as per our target.

SHRI PARMESHWAR KUMAR AGARWALLA: Sir, the difference between the present production and the demand projected by the Coal Ministry is 108 million tonnes. I am afraid that in the present financial condition of the coal industry it will not be possible for them to produce this much of quantity. My specific question is: How much coal can be produced practically; not on paper? It is a history of the coal industry to produce on paper. Even in reply to another question, the Minister has said, "We has surplus coal stock of worth Rs. 1300 crores". But, I know for granted that many wagons are left behind for want of coal because there is no coal stock. So, I would like to know from the Minister what the genuine production will be and whether we will be achieving that by the terminal year of the 9th Plan. Sir, I would also like to know what methods they are going to evolve to improve the quality of coal to meet the challenges of globalisation and quality. Sir, 12 per cent as Content coal has been supplied by foreign suppliers. Our coal is of 40 per cent ash. I would like to know from the hon. Minister as to how he is going to compete in the international market in this kind of a situation. Please clarify this position.

SHRI DILIP RAY: Sir, by the end of the 9th Five Year Plan, we should be producing almost 320 million tonnes of coal. regarding ash content in the imported coal and our coal, I would like to submit that nature has given us this kind of coal. The ash content is 12 per cent in the imported coal and it is almost 30 per cent to 40 per cent in our coal.

SHRI PARMESHWAR KUMAR AGARWALLA: Sir, it is wrong to say that nature has given us this kind of coal. Actually, nature has given us the best coal. We can produce a better coal than others. But, we always opt for easier mining i.e., open cast mining and in the process, we even reduce the quality of coal which is available to us. So, it is better to improve the method of mining than blaming the nature.

SHRI DILIP RAY: Sir, we started this surface mining system in which coal comes out as layers and does not get mixed up with the coal and I think, we should be producing a better coal.

SHRI S. VIDUTHALAI VIRUMBI: Sir, I am putting a supplementary question to what my learned friend has asked. In India, the high calorific coal is in short supply. This is the reason why we are importing coal from foreign countries. But, at the same time, what I feel is, washery facilities have to be developed in India for coal-mines so that we can reduce the ash content. Therefore, I would like to know from the hon. Minister whether there is any plan to develop the washery facilities in India so that coal of high calorific value of coal could be supplied to the States.

SHRI DILIP RAY: Sir, now we have got 22 coal washeries with us. We are also thinking of allowing private investment to come in for washeries to improve the quality of coal.

*145. *[The questioner (Shri Ramji Lal) was absent. For answer, vide col. 33 Infra]*

Production from Ravva Oil Wells in Andhra Pradesh

*146. DR. Y. LAKSHMI PRASAD: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether production of crude oil at